

FEB 10 2015

UNITED STATES OF AMERICA  
BEFORE THE  
DEPARTMENT OF ENERGY  
OFFICE OF ELECTRICITY DELIVERY AND ENERGY RELIABILITY

Electricity Delivery and  
Energy Reliability

SEMPRA GENERATION, LLC

)

Docket No. EA 406

APPLICATION OF SEMPRA GENERATION, LLC  
FOR AUTHORIZATION TO TRANSMIT ELECTRICITY TO MEXICO

Sempra Generation, LLC ("Applicant") hereby files this application pursuant to 10 C.F.R. § 205.300 for authority to transmit electric energy from the United States to Mexico.

**I. DESCRIPTION OF APPLICANT AND BACKGROUND FOR REQUEST**

Applicant is a wholly-owned indirect subsidiary of Sempra Energy, a public utility holding company based in San Diego, California. Sempra Energy provides, through various subsidiaries and affiliates, a wide spectrum of electric, natural gas, and energy-related products and services to a diverse range of customers.<sup>1</sup>

Applicant has received blanket authority from FERC to sell wholesale energy, capacity and/or ancillary services at market-based rates ("Market-Based Rate Tariff").<sup>2</sup> Applicant is not a franchised public utility with a transmission or distribution system, and does not have captive customers.

**II. INFORMATION REQUIRED PURSUANT TO 10 C.F.R SECTION § 205.302**

**a. Exact legal name of Applicant:**

Sempra Generation, LLC

<sup>1</sup> Sempra Energy also wholly owns San Diego Gas & Electric Co., a franchise public utility that owns transmission facilities in the market operated by the California Independent System Operator Corp., which has an open access transmission tariff ("OATT") on file with the Federal Energy Regulatory Commission ("FERC").

<sup>2</sup> See *Sempra Generation, LLC*, Docket No. ER14-474-000 (unpublished letter order issued Jan. 14, 2014).

**b. Exact legal name of all partners:**

Not applicable. The upstream corporate ownership of Applicant is described in Part I of this application.

**c. Name, title, post office address, and telephone number of the person to whom correspondence in regard to the application shall be addressed:**

Daniel A. King  
Director – Regulatory & Compliance  
Sempra U.S. Gas & Power, LLC  
101 Ash Street, HQ15C  
San Diego, CA 92101-3017  
(619) 696-4350  
daking@semprausgp.com

and

Emily Shults  
Managing Director – Power  
Sempra U.S. Gas & Power, LLC  
101 Ash Street, HQ13  
San Diego, CA 92101-3017  
(619) 696-2240  
eshults@semprausgp.com

**d. State of territory under the laws of which the Applicant is organized or incorporated, or authorized to operate. If the Applicant is authorized to operate in more than one state, all pertinent facts shall be included:**

Applicant is a Delaware limited liability company, organized on October 30, 2013, and is currently authorized to operate in Arizona, California, Nevada and British Columbia.

**e. Name and address of any known Federal, State, or local government agency which may have any jurisdiction over the action to be taken in the application and a brief description of that authority:**

Pursuant to section 202(e) of the Federal Power Act, the Department's Office of Electricity Delivery and Energy Reliability is the sole agency with jurisdiction over the proposed export of electric energy to Mexico. No other known Federal, State or local government entity or agency has jurisdiction over the proposed exports described in this application.

- f. Description of the transmission facilities through which the electric energy will be delivered to the foreign country, including the name of the owners and the location of any remote facilities:**

Applicant seeks authorization to export electric energy to Mexico over the planned or existing authorized international electric transmission facilities listed in Exhibit C to this application.<sup>3</sup> Applicant's request for authorization under this application qualifies for a categorical exclusion under the Department's regulations implementing the National Environmental Policy Act of 1969, inasmuch as Applicant's request for export authority is limited to the use of transmission facilities for which a Presidential Permit has been issued.

- g. Technical discussion of the proposed electricity export's reliability, fuel use and system stability impact on the Applicant's present and prospective electric power supply system. Applicant must explain why the proposed electricity export will not impair the sufficiency of the electric supply on its system and why the export will not impede or tend to impede the regional coordination of electric utility planning or operation:**

Applicant seeks authority to transmit electric power to Mexico as a power marketer for a period of five (5) years, or for such other period as the Department deems appropriate, effective from the date of the order granting this application. In previous orders, the Department has endorsed a flexible approach for evaluating reliability issues associated with proposed export transactions. When considering applications from power marketers for export authorizations involving planned or existing international transmission facilities, the Department has relied on the

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<sup>3</sup> This application is distinct from the authorization separately granted to Applicant by the Department in EA-235-A. There, the Department granted a limited export authorization associated with the station power requirements of Applicant's affiliated Termoelectrica de Mexicali combined cycle plant, which is located in Baja California near Mexicali, but which is electrically connected to the United States grid at the Imperial Valley Substation via a sole-use 230kV generator tie line owned by Applicant's affiliate, Termoelectrica U.S., LLC ("T-US"), the holder of Presidential Permit PP-235 for the aforementioned generator tie line. The export authorization in EA-235-A is limited to the use of the 230kV T-US generator-tie line and is for a term not to extend beyond the date of termination of the associated Presidential Permit PP-235. T-US has received a FERC waiver of the requirement to file an OATT relating to its sole-use 230kV generator tie line, so the T-US 230kV gen-tie is not included in the listing of facilities in Exhibit C to this application. See *Termoelectrica U.S., LLC*, 105 FERC ¶ 61,087 (2003).

technical analyses available for those facilities.<sup>4</sup> Applicant submits that it is appropriate for the Department to apply the same standard with respect to this request.

As noted above, Applicant does not have its own system on which its exports of energy could have an impact with respect to electric supply. As such, Applicant's proposed exports would not impair the sufficiency of the electric supply on "its system," as Applicant does not own or operate an integrated transmission or distribution system. The electric energy that Applicant would export on a firm or interruptible basis would be surplus energy purchased in wholesale markets in bilateral, voluntary transactions. Moreover, any such energy would be surplus to the needs of the relevant system, and exportation of the energy would not impair the adequacy of electric power supply within the United States by adversely impacting native load customers or other market participants.

Nor would the requested authorization impede or tend to impede regional coordination of electric utility planning or operation. Applicant's export transactions will be completed using the relevant procedures and/or market structures, as coordinated with all parties as required pursuant to the applicable market rules, as well as the reliability standards implemented by the North American Electric Reliability Corporation ("NERC").<sup>5</sup> Applicant further agrees to abide by the export limits contained in the relevant authorization of any transmission facility over which it exports energy to Mexico. Therefore, Applicant's export transactions will not compromise transmission system security or reliability.

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<sup>4</sup> See, e.g., *Global Pure Energy, LLC*, OE Docket No. EA-390 at p. 7 (Mar. 4, 2014).

<sup>5</sup> Applicant notes that it is registered as a Purchasing-Selling Entity pursuant to the requirements of NERC, and will therefore be subject to the oversight of the applicable regional reliability organization. Applicant will be required to abide by the NERC reliability standards in connection with its transactions, which will serve to further ensure that the reliability of the bulk electric system is maintained.

- h. The original application shall be signed and verified under oath by an officer of the applicant having knowledge of the matters set forth therein:**

The verification is included in Attachment 1 to the application.

### **III. EXHIBITS REQUIRED BY 10 C.F.R. § 205.303**

In compliance with 10 C.F.R. § 205.303, the following Exhibits are attached to this application:

- a. Exhibit A. A copy of the agreement or proposed agreement under which the electricity is to be transmitted including a listing of the terms and conditions. If this agreement contains proprietary information that should not be released to the general public, the applicant must identify such data and include a statement explaining why proprietary treatment is appropriate.**

Not applicable.

- b. Exhibit B. A showing, including a signed opinion of counsel that the proposed export of electricity is within the corporate power of the applicant, and that the applicant has complied or will comply with all pertinent Federal and State Laws.**

Please see opinion of counsel attached hereto as Exhibit B.

- c. Exhibit C. A general map showing the applicant's overall electric system and a detailed map highlighting the location of the facilities or the proposed facilities to be used for the generation and transmission of the electric energy to be exported. The detailed map shall identify the location of the proposed border crossing point(s) or power transfer point(s) by Presidential Permit number whenever possible.**

The owner, location, voltage, and the Presidential Permits under which the relevant border transmission facilities are constructed and maintained is set forth in Exhibit C.

- d. Exhibit D. If an applicant resides or has its principal office outside the United States, such an applicant shall designate, by irrevocable power of attorney, an agent residing within the United States. A verified copy of such power of attorney shall be furnished with the application.**

Not applicable.

- e. Exhibit E. A statement of any corporate relationship or existing contract between the applicant and any other person, corporation, or foreign government, which in any way relates to the control or fixing of rates for the purchase, sale or transmission of electric energy.**

Not applicable. Applicant's sales are made at negotiated rates pursuant to its Market-Based Rate Tariff.

- f. **Exhibit F. An explanation of the methodology (Operating Procedures) to inform neighboring electric utilities in the United States of the available capacity and energy which may be in excess of the applicant's requirements before the delivering of such capacity to the foreign purchaser. Approved firm export, diversity exchange and emergency exports are exempted from this requirement. Those materials required by this section which have been filed previously with the ERA may be incorporated by reference.**

Not applicable. Applicant is a power marketer, and is not a franchised public utility with captive customers. Any export of electric energy from the United States to Mexico by Applicant will be completed using all applicable procedures and/or market structures, and coordinated with relevant parties as required pursuant to the reliability standards and market rules as implemented by NERC and affected transmission operators.

#### IV. CONCLUSION

In consideration of the foregoing, Applicant respectfully requests approval of this application for authorization to export electrical energy to Mexico.

Respectfully submitted,

  
Daniel A. King

*On behalf of Sempra Generation, LLC*

February 4, 2015

## EXHIBIT B

## LEGAL OPINION

The following opinion is given in support of the foregoing application of Sempra Generation, LLC for Authorization to Transmit Electric Energy to Mexico.

- 1) I am an attorney at law, authorized to practice law in the State of California.
- 2) I am counsel to Sempra Generation, LLC, a duly incorporated and validly existing limited liability company, which is in good standing under the laws of the State of Delaware.
- 3) Sempra Generation, LLC has the corporate capacity to act in the manner described in the application.
- 4) To the best of my knowledge and belief, Sempra Generation, LLC has complied with or is in the process of complying with all Federal and State laws regarding the matters contemplated in the application.



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Robert J. Borthwick  
Vice President and General Counsel  
Sempra U.S. Gas & Power, LLC  
101 Ash St., HQ13  
San Diego CA 92101-3017

## EXHIBIT C

## TRANSMISSION SYSTEM INFORMATION

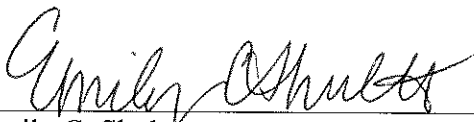
Sempra Generation, LLC requests authorization to export electric energy to Mexico over the following international transmission facilities, as identified by Presidential Permit number:

<u>Present Owner</u>	<u>Location and Voltage</u>	<u>Presidential Permit No.</u>
Comision Federal de Electricidad	Falcon Dam, TX 138 kV	N/A
	Redford, TX 7.2kV	PP-51
	Presidio, TX 13.8 kV	PP-03
Generadora del Desierto - WAPA	San Luis, AZ 230kV	PP-304
AEP Texas Central Company	Brownsville, TX 138 kV	PP-94
	Brownsville, TX 69 kV	PP-94
	Laredo, TX 138 kV	PP-317
	Laredo, TX 230kV	PP-317
	Eagle Pass, TX 138 kV	PP-219
El Paso Electric Company	Diablo, NM 115 kV	PP-92
	Ascarate, TX 115 kV	PP-48
San Diego Gas & Electric	Miguel, CA 230kV	PP-68
	Imperial Valley, CA 230kV	PP-79
Sharyland Utilities	McAllen, TX 138kV	PP-285

Attachment 1

VERIFICATION

The undersigned, being duly sworn, deposes and says that: she is a Vice President of Sempra Generation, LLC ("Sempra Generation"), and has the authority to verify the foregoing application on behalf of Sempra Generation; she has read said application; and to the best of her knowledge, information, and belief, all of the statements contained therein with respect to Sempra Generation are true and correct.

  
Emily C. Shults

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA}

COUNTY OF SAN DIEGO}

On February 3, 2015 before me, A.R. Espinoza, Notary Public, personally appeared Emily C. Shults who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature:  (Seal)

